

**WASHINGTON. D.C.** – House Committee on Oversight and Government Reform Ranking Member Darrell Issa (R-CA) today, released a letter to the attorney of former Fannie Mae CEO Franklin Raines advising him to revise statements in his testimony indicating that he did not receive preferential treatment as a “Friend of Angelo” and member of the Countrywide VIP program.

“The involvement of Countrywide’s VIP unit in the refinancing of Mr. Raines’ mortgage and the rate reduction and waiver of ‘junk’ fees that are reflected in the documents produced to the Committee indicate Mr. Raines was aware he was receiving special treatment, including a reduced interest rate and waived fees,” says the letter from Issa to Raines’ attorney. “Information obtained by the Committee, therefore, calls into question the truthfulness of Mr. Raines’ testimony.”

During the question and answer period of the December 9, 2008, Oversight and Government Reform Committee hearing on the role of Fannie Mae and Freddie Mac in the Housing Meltdown, Rep. Dan Burton asked Mr. Raines about his Countrywide VIP loan ( [watch the exchange here](#) ):

**Mr. Burton:** Have you ever had a home loan from Countrywide?

**Mr. Raines:** Yes.

**Mr. Burton:** Was this given to you through the term, "Friend of Angelo?"

**Mr. Raines:** No.

**Mr. Burton:** So you didn't get any preferential treatment?

**Mr. Raines:** No, I did not, in terms of the terms of my mortgage.

**Mr. Burton:** So you paid the same rate and same conditions as anybody else would under the same conditions?

**Mr. Raines:** If they have the same credit profile, the same loan to value as I had, yes, sir.

**Mr. Burton:** So if we checked on that loan that you got from Countrywide, we wouldn't find anything different from anybody that borrowed from Countrywide in the whole country? You would not get preferential treatment?

**Mr. Raines:** I am unaware of any preferential treatment.

These denials are contradicted by documents obtained by committee Republicans including a June 9, 2003, internal Countrywide e-mail directing “per Angelo” that Franklin Raines receive 1% reduction in his loan rate and that all “junk fees” associated with the loan be waived.

Loan documents provided to the committee show, in fact, that Raines was aware that his loan had received a discount following his executive assistant’s call to Countrywide and that normal mortgage fees were being waived (4/29/03 loan application and 6/25/03 HUD-1 Good Faith Estimate attached).

“Countrywide used its VIP program to buy powerful friends for the sole purpose of using these relationships to further their business bottom line and continuing a process that made loans available to those who could not really afford them,” said Issa. “It is unconscionable for those who received preferential treatment to continue this deception when company documents show

otherwise.”

[Rep. Issa and Rep. Mark Souder first called for a probe of the Countrywide VIP program in June 2008.](#)

[They later requested a House Ethics Committee investigation into Countrywide VIP beneficiaries but never received a response.](#)

The letter to Mr. Raines’ attorney and documents are [here](#) and [here](#) .